



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
FULTON COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 1999

**EDWARD B. HATCHETT, JR.
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CONTENTS

PAGE

INDEPENDENT AUDITOR'S REPORT	1
FULTON COUNTY OFFICIALS.....	3
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES ARISING FROM CASH TRANSACTIONS.....	7
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES	10
NOTES TO FINANCIAL STATEMENTS	13
COMPARATIVE SCHEDULE OF BUDGETED TO ACTUAL OPERATING REVENUE.....	23
SCHEDULE OF OPERATING REVENUE	26
COMPARATIVE SCHEDULE OF FINAL BUDGET AND BUDGETED EXPENDITURES	39
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	53



Edward B. Hatchett, Jr.
Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Harold Garrison, Fulton County Judge/Executive

Members of the Fulton County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Fulton County, Kentucky, as of June 30, 1999, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Fulton County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Fulton County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Fulton County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1999, in conformity with the cash basis of accounting described above.

To the People of Kentucky
Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Mike Haydon, Secretary, Revenue Cabinet
Honorable Harold Garrison, Fulton County Judge/Executive
Members of the Fulton County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of Fulton County, Kentucky, taken as a whole. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated April 12, 2000 on our consideration of Fulton County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
April 12, 2000

FULTON COUNTY OFFICIALS

June 30, 1999

Harold Garrison	County Judge/Executive
Rick Major	County Attorney
Lesia Larue	County Clerk
Sarah Johnson	Circuit Court Clerk
Bobby Hopper	Sheriff
Ricky Parnell	Jailer
Mike Alexander	Property Valuation Administrator
Karen Argo	County Treasurer
Henry Callison	Coroner
James Black	Magistrate
Bubba Nelms	Magistrate
Roscoe Hutchins	Magistrate
Dennis Hulin	Magistrate

STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

FULTON COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1999

Assets and Other Resources

Assets

General Fund:	
Cash	\$ 369,734
Investments	228,494
Road and Bridge Fund:	
Cash	554,057
Investments	178,632
Jail Fund:	
Cash	585,783
Jail Commissary Fund:	
Cash	2,538
Disaster and Emergency Services Fund:	
Cash	9,981
Community Development Block Grant Fund:	
Cash	29,734
Capital Projects Corporation Fund:	
1990A Courthouse Facilities Bonds - Cash	825
1990B Courthouse Facilities Bonds - Cash	70
1991 Courthouse Facilities Bonds - Cash	207
1996 Refunding Bonds - Cash	2,230,637

Other Resources

Jail Fund:	
Amounts to be Provided in Future Years for Leasing Trust Principal Payments - Jail Annex #1	347,000
Amounts to be Provided in Future Years for Leasing Trust Principal Payments - Jail Annex #2	766,064
Amounts to be Provided in Future Years for Jail Capital Lease Obligations - Bond Principal Payments	273,157
Capital Projects Corporation Fund:	
1990A Courthouse Facilities Bonds - Amounts to be Provided in Future Years by 1996 Refunding Bond Principal	1,434,175
1990B Courthouse Facilities Bonds - Amounts to be Provided in Future Years by 1996 Refunding Bond Principal	254,930
1991 Courthouse Facilities Bonds - Amounts to be Provided in Future Years by 1996 Refunding Bond Principal	<u>159,793</u>
Total Assets and Other Resources	<u><u>\$ 7,425,811</u></u>

The accompanying notes are an integral part of the financial statements.

FULTON COUNTY
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS
 June 30, 1999
 (Continued)

Liabilities and Fund Balances

Liabilities

Jail Fund:

Leasing Trust Obligation Jail Annex # 1 - Principal Payments (Note 4)	\$ 347,000
Leasing Trust Obligation Jail Annex # 2 - Principal Payments (Note 4)	766,064
Capital Lease Obligation - Bond Principal Payments (Note 5)	273,157

Capital Projects Corporation Fund:

1990A Courthouse Facilities Bonds - Bond Principal Not Matured (Note 6A)	1,435,000
1990B Courthouse Facilities Bonds - Bond Principal Not Matured (Note 6B)	255,000
1991 Courthouse Facilities Bonds - Bond Principal Not Matured (Note 6C)	160,000
1996 Refunding Bonds - Bond Principal Not Matured (Note 6D)	2,025,000

Fund Balances

Reserved:

Jail Commissary Fund	2,538
Disaster and Emergency Services Fund	9,981
Capital Projects Corporation Fund (Note 7)	205,637
Community Development Block Grant Fund	29,734

Unreserved:

General Fund	598,228
Road and Bridge Fund	732,689
Jail Fund	585,783

Total Liabilities and Fund Balances	<u>\$ 7,425,811</u>
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The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

FULTON COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1999

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 4,041,309	\$ 610,774	\$ 626,252	\$ 2,146,917
Transfers In	430,859	45,473	75,000	75,000
Jail Commissary Fund Receipts	104,357			
Total Cash Receipts	<u>\$ 4,576,525</u>	<u>\$ 656,247</u>	<u>\$ 701,252</u>	<u>\$ 2,221,917</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 3,203,305	\$ 623,728	\$ 433,488	\$ 1,818,196
Fees	600			
Transfers Out	430,859	5,762	120,473	75,000
Bonds:				
Principal Paid	175,000			
Interest Paid	248,659			
Kentucky Association of Counties				
Leasing Trust Repaid	29,408			29,408
Jail Commissary Fund Expenditures	106,393			
Total Cash Disbursements	<u>\$ 4,194,224</u>	<u>\$ 629,490</u>	<u>\$ 553,961</u>	<u>\$ 1,922,604</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 382,302	\$ 26,757	\$ 147,291	\$ 299,313
Cash Balance - July 1, 1998*	<u>3,808,390</u>	<u>571,471</u>	<u>585,398</u>	<u>286,470</u>
Cash Balance - June 30, 1999*	<u><u>\$ 4,190,692</u></u>	<u><u>\$ 598,228</u></u>	<u><u>\$ 732,689</u></u>	<u><u>\$ 585,783</u></u>

* Cash Balance Includes Investments

FULTON COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 1999
(Continued)

Jail Commissary Fund	Disaster and Emergency Services Fund	Riverport Fund	Community Development Block Grant Fund	Capital Projects Corporation Fund	
				1990A Courthouse Facilities Bonds	1990B Courthouse Facilities Bonds
\$	\$ 14,150	\$ 55,250	\$ 289,895	\$ 34 177,835	\$ 4 34,602
104,357					
\$ 104,357	\$ 14,150	\$ 55,250	\$ 289,895	\$ 177,869	\$ 34,606
\$	\$ 12,482	\$ 55,250	\$ 260,161	\$	\$
				70,000	15,000
				107,864	19,602
106,393					
\$ 106,393	\$ 12,482	\$ 55,250	\$ 260,161	\$ 177,864	\$ 34,602
\$ (2,036)	\$ 1,668	\$ 0	\$ 29,734	\$ 5	\$ 4
4,574	8,313	0	0	820	66
\$ 2,538	\$ 9,981	\$ 0	\$ 29,734	\$ 825	\$ 70

The accompanying notes are an integral part of the financial statements.

FULTON COUNTY
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN CASH BALANCES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Capital Projects Corporation Fund	
	1991	1996
	Courthouse Facilities Bonds	Refunding Bonds
<u>Cash Receipts</u>		
Schedule of Operating Revenue	\$ 7	\$ 298,026
Transfers In	17,187	5,762
Jail Commissary Fund Receipts		
Total Cash Receipts	<u>\$ 17,194</u>	<u>\$ 303,788</u>
<u>Cash Disbursements</u>		
Comparative Schedule of Final Budget and Budgeted Expenditures	\$	\$
Fees		600
Transfers Out		229,624
Bonds:		
Principal Paid	5,000	85,000
Interest Paid	12,188	109,005
Kentucky Association of Counties Leasing Trust Repaid		
Jail Commissary Fund Expenditures		
Total Cash Disbursements	<u>\$ 17,188</u>	<u>\$ 424,229</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 7	\$ (120,441)
Cash Balance - July 1, 1998*	<u>200</u>	<u>2,351,078</u>
Cash Balance - June 30, 1999*	<u>\$ 207</u>	<u>\$ 2,230,637</u>

* Cash Balance Includes Investments

The accompanying notes are an integral part of the financial statements.

FULTON COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Fulton County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the application of the criteria stated in GASB 14, management has included the Capital Projects Corporation Fund and Jail Commissary Fund as part of the reporting entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Fulton County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

FULTON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.22 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. The county entered into a written agreement with the depository institution and met requirements (a), (b), and (c) stated above. However, as of June 30, 1999 the collateral and FDIC insurance together did not equal or exceed the amount on deposit, leaving \$65,740 of public funds uninsured and unsecured.

FULTON COUNTY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 1999
 (Continued)

Note 3. Deposits (Continued)

The county's deposits are categorized below to give an indication of the level of risk assumed by the county as of June 30, 1999.

	<u>Bank Balance</u>
Collateralized with securities held by pledging financial institution in the county's name	\$ 350,000
Uncollateralized and uninsured	<u>65,740</u>
Total	<u>\$ 415,740</u>

Note 4. Long-Term Debt

Jail Annex #1 and Jail Annex #2

The Fulton County Fiscal Court has entered into two leasing trust agreements with the Kentucky Association of Counties Leasing Trust. The first was entered into on July 17, 1992 and the second on January 30, 1998. The purposes of the leasing trusts were for the construction and use of the Fulton County Detention Facility Annex #1 and Annex #2. Total lease trusts principal amounts were \$415,000 and \$775,000, respectively. Lease principal and interest requirements due in the next five years and thereafter are:

<u>Annex #1</u>	<u>Principal Maturity Dates</u>	
<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>
2000	\$ 21,216	\$ 12,000
2001	20,445	13,000
2002	19,639	13,000
2003	18,807	14,000
Thereafter	<u>251,308</u>	<u>295,000</u>
Totals	<u>\$ 331,415</u>	<u>\$ 347,000</u>

FULTON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 4. Long-Term Debt (Continued)

<u>Annex #2</u>	<u>Principal Maturity Dates</u>	
<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>
2000	\$ 39,527	\$ 27,574
2001	38,053	28,760
2002	36,495	29,997
2003	34,910	31,288
Thereafter	<u>292,217</u>	<u>648,445</u>
Totals	<u>\$ 441,202</u>	<u>\$ 766,064</u>

Note 5. Long-Term Participation Agreement

The Kentucky Local Correctional Facilities Construction Authority, an independent corporate agency and instrumentality of the Commonwealth of Kentucky, issues revenue bonds for the purpose of construction and reconstruction of jail facilities. The Authority issued \$943,147 of revenue bonds at various interest rates (6.25% through 10.375%), of which the county has agreed to pay \$355,082 principal and a proportional share of interest on the issue. Revenue bonds outstanding as of June 30, 1999, totaled \$273,157. Bond principal and interest requirements due in the next five years and thereafter are:

	<u>Principal Maturity Dates</u>	
<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>
2000	\$ 17,813	\$ 10,099
2001	17,123	10,767
2002	16,386	11,480
2003	15,601	12,240
2004	14,762	13,051
Thereafter	<u>88,022</u>	<u>215,520</u>
Totals	<u>\$ 169,707</u>	<u>\$ 273,157</u>

FULTON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 6. Advanced Refunding of Courthouse Facilities Bond Issues

A. Capital Projects Corporation Fund 1990A Courthouse Facilities Bonds Outstanding

The Fulton County Capital Projects Corporation, an independent corporate agency and instrumentality of Fulton County, issued first mortgage revenue bonds, series 1990A, dated January 15, 1990, for the purpose of renovating and constructing a courthouse facility. These bonds are not matured, but are to be discharged in future years by the proceeds of the First Mortgage Refunding Revenue Bonds, Series 1996 (See D below). Bond principal and interest requirements due in the next two (2) years and refunded in fiscal year 2000 are as follows

<u>Principal Maturity Dates</u>		
<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>
2000	\$ 103,182	\$ 70,000
2001		1,365,000
Totals	<u>\$ 103,182</u>	<u>\$ 1,435,000</u>

B. Capital Projects Corporation Fund 1990B Courthouse Facilities Bonds Outstanding

The Fulton County Capital Projects Corporation, an independent corporate agency and instrumentality of Fulton County, issued first mortgage revenue bonds, series 1990B, dated January 15, 1990, for the purpose of renovating and constructing a courthouse facility. These bonds are not matured, but are to be discharged in future years by the proceeds of the First Mortgage Refunding Revenue Bonds, Series 1996 (See D below). Bond principal and interest requirements due in the next three (3) years and refunded in fiscal year 2001 are as follows:

<u>Principal Maturity Dates</u>		
<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>
2000	\$ 18,583	\$ 15,000
2001	8,774	240,000
Totals	<u>\$ 27,357</u>	<u>\$ 255,000</u>

FULTON COUNTY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 1999
 (Continued)

Note 6. Advanced Refunding of Courthouse Facilities Bond Issues (Continued)

C. Capital Projects Corporation Fund 1991 Courthouse Facilities Bonds Outstanding

The Fulton County Capital Projects Corporation, an independent corporate agency and instrumentality of Fulton County, issued first mortgage revenue bonds, series 1991, dated September 1, 1991, for the purpose of renovating and constructing a courthouse facility. These bonds are not matured, but are to be discharged in future years by the proceeds of the First Mortgage Refunding Revenue Bonds, Series 1996 (See D below). Bond principal and interest requirements due in the next two (2) years and refunded in fiscal year 2000 are as follows:

<u>Principal Maturity Dates</u>		
<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>
2000	6,000	5,000
2001	5,812	155,000
Totals	<u>\$ 11,812</u>	<u>\$ 160,000</u>

D. Capital Projects Corporation Fund 1996 Refunding Revenue Bonds

The Fulton County Capital Projects Corporation, an independent corporate agency and instrumentality of Fulton County, issued first mortgage refunding revenue bonds, series 1996, dated December 1, 1996, for the purpose of discharging the outstanding bonds of series 1990A, 1990B, and 1991 (collectively referred to herein as the "Prior Bonds"). The net proceeds thereof were used to complete, equip, and furnish the Court Facilities Project and the annex which houses county government offices.

The corporation issued \$2,215,000 of refunding revenue bonds, the proceeds of which were used to purchase an escrow for deposit to the Escrow Fund. This amount when added with interest earnings thereon and any cash or investments held by the trustee for the prior bonds, is planned to be adequate to discharge all outstanding prior bonds. The Escrow Fund is intended to provide the following:

- A) Meet the scheduled principal and interest payments of the 1990A prior bonds beginning January 1, 1997 and through January 1, 2000 (dates inclusive);
- B) To call on January 1, 2000, all the principal amounts then outstanding of the 1990A prior bonds at 102%;
- C) Meet the scheduled principal and interest payments of the 1990B prior bonds beginning January 1, 1997 and through January 1, 2000 (dates inclusive);
- D) To call on January 1, 2000, all the principal amounts then outstanding of the 1990B prior bonds at 102%;

FULTON COUNTY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 1999
 (Continued)

Note 6. Advanced Refunding of Courthouse Facilities Bond Issues (Continued)

D. Capital Projects Corporation Fund 1996 Refunding Revenue Bonds (Continued)

- E) Meet the scheduled principal and interest payments of the 1991 prior bonds beginning January 1, 1997 and through January 1, 2000 (dates inclusive); and
- F) To call on January 1, 2000, all the principal amounts then outstanding of the 1991 bonds at 102%.

The Kentucky Administrative Office of the Courts has agreed to pay directly to the paying agent on behalf of the county as required by the Use and Sublease Agreement between the county and the Administrative Office of the Courts dated December 1, 1996. If the payment from the Sublease Agreement is not sufficient to meet the principal and interest requirements of the bond, the county is contingently liable for the Administrative Office of the Courts' payments.

Bond principal and interest requirements due in the next five years and thereafter are (in the absence of Administrative Office of the Courts' payments):

<u>Principal Maturity Dates</u>		
<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>
2000	\$ 104,455	\$ 90,000
2001	99,645	95,000
2002	94,575	100,000
2003	89,245	105,000
2004	83,656	110,000
Thereafter	<u>435,130</u>	<u>1,525,000</u>
Totals	<u>\$ 906,706</u>	<u>\$ 2,025,000</u>

Note 7. 1996 Refunding Bond Issue - Debt Service Reserve

The amount of \$205,637 in the Capital Projects Corporation is reserved for use in future years to pay 1996 Refunding Bond principal and interest. This amount is invested in money market accounts and certificates of deposit (Note 7D).

Note 8. Other Obligation

On April 26, 1988, Fulton County entered into a lease with the City of Fulton for the use of Fulton City Jail. This jail is used as a county twelve-hour holdover facility. The county is to pay the city yearly rent of \$5,000 in four equal quarterly payments. The lease remains in effect from year to year until such time as either party terminates the lease with a 60-day notice to the other party.

FULTON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 9. Insurance

For the fiscal year ended June 30, 1999, Fulton County was a member of the Kentucky Association of Counties' All Lines Insurance Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

FULTON COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1999

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
General Fund	\$ 1,037,980	\$ 610,774	\$ (427,206)
Road and Bridge Fund	932,773	626,252	(306,521)
Jail Fund	1,843,676	2,146,917	303,241
Local Government Economic Assistance Fund	1,732		(1,732)
Disaster and Emergency Services Fund	16,211	14,150	(2,061)
Riverport Fund	700,000	55,250	(644,750)
Community Development Block Grant Fund	713,500	289,895	(423,605)
Totals	<u>\$ 5,245,872</u>	<u>\$ 3,743,238</u>	<u>\$ (1,502,634)</u>

Reconciliation

Total Budgeted Operating Revenue and
Total Operating Budget - All Funds

\$ 5,245,872

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SCHEDULE OF OPERATING REVENUE

FULTON COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1999

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
Revenue From Local Taxes <u>and Excess Fees</u>				
Sheriff:				
Property Taxes	\$ 175,100	\$ 175,100	\$	\$
Timber Tax	402	402		
Bank Franchise	28,302	28,302		
Franchise	34,923	34,923		
Excess Fees - 1998	495	495		
County Clerk:				
Deed Transfer Tax	8,090	8,090		
Occupational Licenses	65	65		
Delinquent Taxes	7,457	7,457		
Excess Fees - 1998	16,925	16,925		
Tangible Personal Property Taxes:				
County Clerk	34,409	34,409		
In Lieu of Taxes:				
TVA	9,863	9,863		
Fulton Electric	6,050	6,050		
Insurance Premium Tax	148,965	148,965		
Totals	<u>\$ 471,046</u>	<u>\$ 471,046</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>U.S. Treasurer</u>				
Fish and Wildlife Refuge	<u>\$ 11,486</u>	<u>\$ 11,486</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Federal Receipts - State Treasurer</u>				
Disaster and Emergency Assistance				
Grants - Coordinator Salary	\$ 9,093	\$	\$	\$
Community Development Block				
Grant - HUD	289,895			
Totals	<u>\$ 298,988</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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FULTON COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Capital Projects Corporation Fund	
	1991 Courthouse Facilities Bonds	1996 Refunding Bonds
Revenue From Local Taxes <u>and Excess Fees</u>		
Sheriff:		
Property Taxes	\$	\$
Timber Tax		
Bank Franchise		
Franchise		
Excess Fees - 1998		
County Clerk:		
Deed Transfer Tax		
Occupational Licenses		
Delinquent Taxes		
Excess Fees - 1998		
Tangible Personal Property Taxes:		
County Clerk		
In Lieu of Taxes:		
TVA		
Fulton Electric		
Insurance Premium Tax		
Totals	\$ 0	\$ 0
<u>U.S. Treasurer</u>		
Fish and Wildlife Refuge	\$ 0	\$ 0
<u>Federal Receipts - State Treasurer</u>		
Disaster and Emergency Assistance		
Grants - Coordinator Salary	\$	\$
Community Development Block		
Grant - HUD		
Totals	\$ 0	\$ 0

FULTON COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer</u>				
Jail:				
Allotments	\$ 48,322	\$	\$	\$ 48,322
Medical Allotments	3,315			3,315
DUI Service Fees	3,396			3,396
Housing State Prisoners	404,034			404,034
Class D Felons	743,866			743,866
County Road Aid	384,948		384,948	
Truck License Distribution	161,448		161,448	
Election Expense Reimbursement	6,630	6,630		
Courthouse Rental - Administrative				
Office of the Courts	235,245	57,645		
Refunds:				
Legal Process Tax	58	58		
Drivers Licenses	709		709	
Dog Licenses	14	14		
State Reimbursements and Refunds	49,696		49,696	
Board of Assessments	200	200		
Industrial Bond Revenue Lessee	18,807	18,807		
Grant:				
Disaster and Emergency				
Assistance Grant -				
Coordinator Salary	5,026			
Riverport Project	55,250			
Juvenile Reimbursement	17,974	12,754		5,220
Totals	<u>\$ 2,138,938</u>	<u>\$ 96,108</u>	<u>\$ 596,801</u>	<u>\$ 1,208,153</u>

FULTON COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

Disaster and Emergency Assistance Fund	Riverport Fund	Community Development Block Grant Fund	Capital Projects Corporation Fund	
			1990A Courthouse Facilities Bonds	1990B Courthouse Facilities Bonds
\$	\$	\$	\$	\$
5,026	55,250			
\$ 5,026	\$ 55,250	\$ 0	\$ 0	\$ 0

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FULTON COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Capital Projects Corporation Fund	
	1991 Courthouse Facilities Bonds	1996 Refunding Bonds
<u>Kentucky State Treasurer</u>		
Jail:		
Allotments	\$	\$
Medical Allotments		
DUI Service Fees		
Housing State Prisoners		
Class D Felons		
County Road Aid		
Truck License Distribution		
Election Expense Reimbursement		
Courthouse Rental - Administrative		
Office of the Courts		177,600
Refunds:		
Legal Process Tax		
Drivers Licenses		
Dog Licenses		
State Reimbursements and Refunds		
Board of Assessments		
Industrial Bond Revenue Lessee		
Grant:		
Disaster and Emergency		
Assistance Grant -		
Coordinator Salary		
Riverport Project		
Juvenile Reimbursement		
Totals	\$ 0	\$ 177,600

FULTON COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Miscellaneous Revenue</u>				
Interest	\$ 177,775	\$ 23,733	\$ 28,080	\$ 5,536
Dividends	45			
Circuit Court Clerk:				
Court Costs	15,055			15,055
Home Incarceration	700			700
Work Release	52,810			52,810
Jail:				
Telephone Commissions	40,606			40,606
Bond Fees	3,535			3,535
Housing Prisoners-				
Other Counties	116,688			116,688
Juveniles	591,354			591,354
Drug Testing	3,725			3,725
Prisoner's Medical				
Other Counties	100,044			100,044
Telephone 911 Fee	4,174	4,174		
Social Security Assistance Revenue	4,600			4,600
Insurance Reimbursements	5,114	3,783	1,331	
Miscellaneous Items	4,626	444	40	4,111
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	\$ 1,120,851	\$ 32,134	\$ 29,451	\$ 938,764
	<hr/>	<hr/>	<hr/>	<hr/>
Total Operating Revenue	\$ 4,041,309	\$ 610,774	\$ 626,252	\$ 2,146,917
	<hr/>	<hr/>	<hr/>	<hr/>

FULTON COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

Disaster and Emergency Assistance Fund	Riverport Fund	Community Development Block Grant Fund	Capital Projects Corporation Fund	
			1990A Courthouse Facilities Bonds	1990B Courthouse Facilities Bonds
\$	\$	\$	\$	\$
			34	4
31				
\$ 31	\$ 0	\$ 0	\$ 34	\$ 4
\$ 14,150	\$ 55,250	\$ 289,895	\$ 34	\$ 4

FULTON COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Capital Projects Corporation Fund	
	1991 Courthouse Facilities Bonds	1996 Refunding Bonds
<u>Miscellaneous Revenue</u>		
Interest	\$	\$ 120,426
Dividends	7	
Circuit Court Clerk:		
Court Costs		
Home Incarceration		
Work Release		
Jail:		
Telephone Commissions		
Bond Fees		
Housing Prisoners-		
Other Counties		
Juveniles		
Drug Testing		
Prisoner's Medical		
Other Counties		
Telephone 911 Fee		
Social Security Assistance Revenue		
Insurance Reimbursements		
Miscellaneous Items		
Totals	\$ 7	\$ 120,426
Total Operating Revenue	\$ 7	\$ 298,026

COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

FULTON COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1999

	<u>Final</u> <u>Budget</u>	<u>Budgeted</u> <u>Expenditures</u>	<u>Under</u> <u>(Over)</u> <u>Budget</u>
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 51,626	\$ 51,596	\$ 30
Administrative Assistant	22,400	22,400	
Office Equipment	6,000	5,276	724
Office Supplies	3,425	3,188	237
Bond	250	178	72
Travel	2,500	588	1,912
Office of County Attorney:			
County Attorney Salary	14,480	14,480	
Office Materials and Supplies	900	890	10
Bond	150		150
Office of County Clerk:			
Audit Services	5,000	2,068	2,932
Tax Bill Preparation	1,850	1,701	149
Office Supplies	1,000	816	184
Bond	350	266	84
Office of Sheriff:			
Salaries-			
Deputy Hire	4,700	4,700	
Extra Deputy	5,668	5,668	
Land Sales	1,235	1,234	1
Audit Services	7,000	4,993	2,007
Radio and Maintenance	250	220	30
Drug Paraphernalia	3,568	3,211	357
Office Equipment	4,000	3,881	119
Supplies	1,500	1,453	47
Uniforms	600	560	40
Liability Insurance	8,000	5,137	2,863
Bond	850	543	307
Postage	2,850	2,764	86

FULTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Office of County Coroner:			
Salaries-			
County Coroner	\$ 7,662	\$ 7,662	\$
Deputy Coroner	1,604	1,604	
Autopsies and Attendant Services	4,000	3,056	944
Pager Lease	250	231	19
Office Supplies	600	463	137
Bond	203	203	
Travel	1,600	1,415	185
Fiscal Court:			
Magistrates-			
Salaries	44,240	44,240	
Advertising	2,300	2,140	160
Supplies	1,500	1,192	308
Liability Insurance	25,000	24,246	754
Bond	250	152	98
Postage	1,500	1,017	483
Travel	2,500	243	2,257
Miscellaneous	500	116	384
Fiscal Court Clerk Salary	1,608	1,608	
Office of Property Valuation Administrator:			
Statutory Contribution	9,276	9,276	
Office of Board of Assessment Appeals:			
Per Diem	400	400	
Office of County Treasurer:			
County Treasurer Salary	33,128	29,557	3,571
Settlement Publication	400		400
Data Processing	1,200	1,200	
Computer Software Development	1,000	445	555
Office Equipment	5,000	200	4,800
Office Supplies	2,000	1,034	966
Bank Charges	150		150
Bond	500	376	124

FULTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Office of County Finance Director:			
County Finance Director Salary	\$ 18,000	\$ 15,000	\$ 3,000
County Law Library:			
Law Librarian Salary	750	750	
Elections:			
Per Diem-			
Election Officers	6,500	6,317	183
Election Commissioners	5,000	4,320	680
Tabulators	800	480	320
Training	1,800	1,188	612
Advertising	1,800	467	1,333
Precinct Rent	800	600	200
Election Supplies	3,000	2,973	27
Election Printing	14,605	14,604	1
Planning and Zoning:			
Director Salary	1,200	1,200	
Office Supplies	800		800
Courthouse:			
Salaries-			
Custodial Personnel	8,875	8,875	
Maintenance Personnel	22,030	22,030	
Advertising	100		100
Pest Control	2,280	2,280	
Elevator Maintenance	2,000	1,968	32
Materials and Supplies	5,200	4,974	226
Insurance	18,000	8,779	9,221
Renewals and Repairs	7,500	5,116	2,384
Telephone	14,000	13,629	371
Travel	750	581	169
Utilities	38,000	36,025	1,975
New Equipment	3,000		3,000

FULTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	<u>Final Budget</u>	<u>Budgeted Expenditures</u>	<u>Under (Over) Budget</u>
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Other County Properties:			
Materials and Supplies	\$ 6,000	\$ 5,439	\$ 561
Renewal and Repairs	25,000	11,243	13,757
Office of County Surveyor:			
Bond	102	50	52
County 911 Project:			
Equipment	20,300		20,300
Contribution	7,000	3,160	3,840
Travel	300		300
County Fire Department:			
Program Support	150	78	72
<u>Protection to Persons and Property</u>			
Office of Public Defender:			
Mandated Program Support	1,284	1,284	
Rescue Squad:			
Program Support	2,500	2,500	
Insurance	1,800	1,800	
Utilities	2,500	1,880	620
Forrest Fire Protection:			
Payments to Government Agencies	1,000	482	518
<u>General Health and Sanitation</u>			
Pest Eradication Program:			
General Welfare	600	519	81
Dog Control:			
Contribution	300	252	48
Dog Tag Fees	100		100

FULTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Health and Sanitation</u> (Continued)			
Recycling Program:			
Education Program	\$ 1,500	\$ 25	\$ 1,475
<u>Social Services</u>			
General Charity and Welfare:			
Medical Care	300		300
Contribution	300	65	235
General Welfare	500		500
Pauper Burials	1,000	200	800
Senior Citizens Program:			
Insurance Reimbursement	2,000	2,000	
<u>Recreation and Culture</u>			
Tourist and Convention:			
Contributions	14,300	12,466	1,834
Other Recreation Programs:			
Celebrations and Festivals	1,000	1,000	
Advertising	1,000	1,000	
Supplies and Equipment	1,000	500	500
<u>Capital Projects</u>			
Other Capital Projects:			
Historic Preservation	7,500	2,100	5,400
Reserve for Economic Development	55,000		55,000
<u>Administration</u>			
Contingent Appropriations:			
Reserve for Transfers	223,294		223,294

FULTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Administration</u> (Continued):			
General Services:			
Secretary	\$ 14,000	\$ 13,319	\$ 681
Labor	10,725	2,180	8,545
Audit Services	7,000		7,000
Economic Development Project Support	10,000	10,000	
Memberships-			
Purchase Area Development District	700	606	94
Kentucky Association of Counties	800	800	
Other Memberships	4,000	2,498	1,502
Meetings	8,000	6,832	1,168
Miscellaneous	500	317	183
Fringe Benefits:			
County Contributions-			
Social Security	34,000	31,845	2,155
Retirement	38,000	35,004	2,996
Health Insurance	44,312	44,312	
Worker's Compensation	10,000	4,659	5,341
Unemployment Insurance	3,000	1,270	1,730
Total Operating Budget	\$ 1,037,980	\$ 623,728	\$ 414,252
Other Financing Uses:			
Transfers to Capital Projects Corporation Fund-			
1990B Courthouse Facilities Bonds -			
Principal	10,000		10,000
Interest	28,000	5,762	22,238
Total General Fund	\$ 1,075,980	\$ 629,490	\$ 446,490

FULTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u>			
<u>Roads</u>			
Office of Road Supervisor/Engineer:			
Road Supervisor Salary	\$ 28,000	\$ 28,000	\$
Office Materials and Supplies	3,500	3,062	438
Advertising	500	276	224
Postage	600	600	
Travel	2,500	160	2,340
Miscellaneous	500	176	324
Road Maintenance:			
Salaries-			
Road Labor	120,000	104,063	15,937
Other	17,500	17,500	
Asphalt	75,000	31,436	43,564
Crushed Stone and Gravel	25,000	6,677	18,323
Insurance	25,000	25,000	
Petroleum Products	20,000	11,974	8,026
Machinery and Equipment-			
Motor Vehicle Parts	35,000	8,414	26,586
New Road Machinery	125,000	73,354	51,646
Radio	1,250	1,091	159
Materials and Supplies	50,000	37,443	12,557
Signs	6,500	4,839	1,661
Tubes and Tires	7,500	4,021	3,479
Uniforms	2,925	2,717	208
<u>Transportation Facilities and Services</u>			
Road Facilities:			
Renewals and Repairs	25,000	1,545	23,455
<u>Other Transportation Facilities and Services</u>			
Salaries:			
Director	13,576	10,700	2,876
Deputy	1,200	100	1,100
Materials and Supplies	2,419	1,769	650

FULTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u> (Continued)			
<u>Roads</u> (Continued)			
<u>Administration</u>			
General Services:			
Audit Services	\$ 5,000	\$	\$ 5,000
Contingent Appropriations:			
Reserve for Budget Transfers	261,303		261,303
Fringe Benefits:			
County Contributions-			
Retirement	18,000	14,053	3,947
Social Security	16,000	12,432	3,568
Health Insurance	22,500	21,908	592
Worker's Compensation	20,000	9,815	10,185
Unemployment Insurance	1,500	363	1,137
Total Road and Bridge Fund	<u>\$ 932,773</u>	<u>\$ 433,488</u>	<u>\$ 499,285</u>

JAIL FUND

Protection to Persons and Property

Office of Jailer:			
Personnel Services-			
Salaries -			
Jailer	\$ 51,182	\$ 51,182	\$
Jail Personnel	538,340	533,406	4,934
Medical Personnel	9,450	9,450	
Administrative Personnel	53,165	53,165	
Part-Time Personnel	79,628	79,628	

FULTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND</u> (Continued)			
<u>Protection to Person and Property</u> (Continued)			
Office of Jailer: (Continued)			
Operations-			
Cleaning Supplies	\$ 27,155	\$ 26,766	\$ 389
Food	202,226	202,154	72
Food Serving Equipment	8,617	8,617	
Food Serving Supplies	3,290	3,290	
Gasoline	5,443	5,443	
Home Incarceration Supplies	1,461	1,461	
Advertising	695	694	1
Jail Linens	1,511	1,511	
Law Enforcement Equipment	62,953	62,953	
Dental Services	3,365	2,349	1,016
Medical Supplies	4,000	1,501	2,499
Office Supplies	25,012	25,012	
Pager Lease	1,809	1,809	
Office Equipment	4,565	4,440	125
Pharmaceutical Supplies	60,000	59,896	104
Plumbing Supplies	3,516	3,511	5
Paint	500	270	230
Prisoner Clothing	12,277	12,277	
Prisoner Hygiene	1,719	1,719	
Routine Medical	45,513	43,475	2,038
Staff Uniforms	9,000	7,268	1,732
Staff Travel	7,500	6,155	1,345
Other Travel	218	218	
Telephone	9,458	9,458	
Utilities	77,639	75,918	1,721
Veterinary Services	354	197	157
K-9 Training	302	300	2
Animal Food and Supplies	607	607	
Motor Vehicles	5,500	5,500	
Vehicle Parts	7,826	7,462	364
Fulton City Jail Contract	5,268	5,268	
Miscellaneous	500	500	

FULTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND</u> (Continued)			
<u>Protection to Person and Property</u> (Continued)			
Office of Jailer: (Continued)			
Maintenance-			
Building Repairs	\$ 15,297	\$ 15,297	\$
Equipment Repairs	26,531	26,531	
Building and Construction	1,275	1,275	
Pest Control	30	30	
Juvenile Detention:			
Housing Prisoners - Juveniles	2,074	1,380	694
Supplies	10,228	9,620	608
Training	1,619	1,619	
<u>Debt Service</u>			
Kentucky Association of Counties			
Leasing Trust Obligation Jail Annex:			
Interest	50,000	49,753	247
Kentucky Local Correction Facility			
Construction Authority Revenue Bond:			
Interest	22,585	18,460	4,125
<u>Administration</u>			
Other County Liabilities:			
Auto Lease-Purchase	8,132	8,132	
General Services:			
Liability Insurance	9,900	9,900	
Association Dues	550	550	
Staff Training	1,607	1,345	262
Capital Projects:			
Jail Construction	162,805	162,805	

FULTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND</u> (Continued)			
<u>Administration</u> (Continued)			
Fringe Benefits:			
County Contributions-			
Retirement	\$ 53,250	\$ 52,423	\$ 827
Social Security	52,800	52,658	142
Health Insurance	76,694	74,853	1,841
Worker's Compensation	14,921	14,921	
Unemployment Insurance	1,814	1,814	
Total Operating Budget	\$ 1,843,676	\$ 1,818,196	\$ 25,480
Other Financing Uses:			
Kentucky Association of Counties			
Leasing Trust Obligation Jail Annex -			
Principal	20,000	19,936	64
Kentucky Local Facility Construction			
Authority Revenue Bonds -			
Principal	8,000	9,472	(1,472)
Total Jail Fund	\$ 1,871,676	\$ 1,847,604	\$ 24,072
LOCAL GOVERNMENT ECONOMIC <u>ASSISTANCE FUND</u>			
<u>Roads</u>			
Road Maintenance:			
Motor Vehicle Parts	\$ 1,732	\$ 0	\$ 1,732
DISASTER AND EMERGENCY <u>SERVICES FUND</u>			
Disaster and Emergency Services:			
Director Salary	\$ 13,576	\$ 10,700	\$ 2,876
Materials and Supplies	250	105	145
Travel	200	168	32

FULTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
DISASTER AND EMERGENCY SERVICES FUND (Continued)			
Disaster and Emergency Services: (Continued)			
Utilities	\$ 1,685	\$ 1,401	\$ 284
Equipment Repair	500	108	392
Total Disaster and Emergency Services Fund	<u>\$ 16,211</u>	<u>\$ 12,482</u>	<u>\$ 3,729</u>
<u>RIVERPORT FUND</u>			
<u>Capital Projects</u>			
Riverport Project	<u>\$ 700,000</u>	<u>\$ 55,250</u>	<u>\$ 644,750</u>
COMMUNITY DEVELOPMENT BLOCK GRANT FUND			
<u>Capital Projects</u>			
Housing Project	<u>\$ 713,500</u>	<u>\$ 260,161</u>	<u>\$ 453,339</u>
Total Operating Budget - All Funds	\$ 5,245,872	\$ 3,203,305	\$ 2,042,567
<u>OTHER FINANCING USES:</u>			
Other Financing Uses:			
Transfers to Capital Projects Corporation Fund-			
1990B Courthouse Facilities Bonds-			
Principal	10,000		10,000
Interest	28,000	5,762	22,238
Kentucky Association of Counties			
Leasing Trust Obligation Jail Annex-			
Principal	20,000	19,936	64
Kentucky Local Facility Construction			
Authority Revenue Bonds -			
Principal	<u>8,000</u>	<u>9,472</u>	<u>(1,472)</u>
TOTAL BUDGET - ALL FUNDS	<u><u>\$ 5,311,872</u></u>	<u><u>\$ 3,238,475</u></u>	<u><u>\$ 2,073,397</u></u>

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Honorable Harold Garrison, Fulton County Judge/Executive
Members of the Fulton County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Fulton County, Kentucky, as of and for the year ended June 30, 1999, and have issued our report thereon dated April 12, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Fulton County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Fulton County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

Honorable Harold Garrison, Fulton County Judge/Executive
Members of the Fulton County Fiscal Court
Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
April 12, 2000

CERTIFICATION OF COMPLIANCE – LOCAL
GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

FULTON COUNTY FISCAL COURT

June 30, 1999

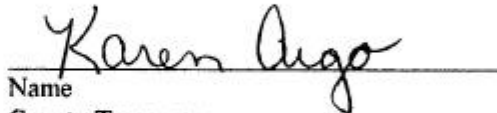
CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM
FULTON COUNTY FISCAL COURT

The Fulton County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



Name

County Judge/Executive



Name

County Treasurer